

Saskatchewan Indian Equity Foundation Inc.
Financial Statements
March 31, 2015

Saskatchewan Indian Equity Foundation Inc.

Contents

For the year ended March 31, 2015

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Management's Responsibility

To the Members of Saskatchewan Indian Equity Foundation Inc.:

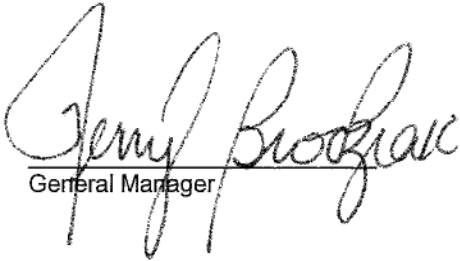
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Foundation. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Foundation's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

June 27, 2015


General Manager

Independent Auditors' Report

To the Members of Saskatchewan Indian Equity Foundation Inc.:

We have audited the accompanying financial statements of Saskatchewan Indian Equity Foundation Inc., which comprise the statement of financial position as at March 31, 2015, and the statements of operations and changes in net assets, cash flows and the related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Indian Equity Foundation Inc. as at March 31, 2015 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Saskatoon, Saskatchewan

June 27, 2015

MNP LLP
Chartered Accountants

Saskatchewan Indian Equity Foundation Inc.
Statement of Financial Position

As at March 31, 2015

	2015	2014
Assets		
Current		
Cash and cash equivalents	4,145,070	679,390
Accounts receivable (Note 3)	108,087	2,074,803
Prepaid expenses	1,023	2,274
Foreclosed assets held for sale (Note 4)	126,027	148,915
	4,380,207	2,905,382
Capital assets (Note 5)	563,342	607,345
Long-term investments (Note 6)	8,163,991	8,040,058
Advances to related parties (Note 7)	1,223	44,449
Loans receivable (Note 8)	4,697,798	6,030,808
	17,806,561	17,628,042
Liabilities		
Current		
Accounts payable and accrued liabilities	130,915	83,152
Current portion of mortgage payable (Note 10)	34,931	30,773
	165,846	113,925
Mortgage payable (Note 10)	233,962	275,371
	399,808	389,296
Commitment (Note 14)		
Net Assets		
Net assets, end of year (Note 11)	2,817,560	3,043,021
Contributed equity (Note 12)	14,589,193	14,195,725
	17,406,753	17,238,746
	17,806,561	17,628,042

Approved on behalf of the Board


Director


Director

Saskatchewan Indian Equity Foundation Inc. Statement of Operations and Changes in Net Assets

For the year ended March 31, 2015

	2015	2014
Revenue		
Loan interest	727,856	619,059
Grant revenue	271,118	518,016
NACCA Grants - ADLA	261,862	-
Other revenue	137,648	148,573
Rental income (Note 13)	87,583	85,437
NACCA Grants	61,143	60,857
Investments	30,092	25,426
Other recoveries	19,763	11,920
Management fee (Note 13)	15,000	15,000
Consulting fees	3,296	5,390
	1,615,361	1,489,678
Expenses		
Administrative	41,400	38,200
Advertising	50,291	27,008
Amortization	58,192	56,800
Board of Directors	121,265	107,773
Conferences	4,529	9,972
Events	12,093	26,415
Insurance	9,199	8,815
Interest and bank charges	8,792	8,606
Interest on mortgage payable	11,259	18,330
Janitorial	9,600	9,600
Loan costs	11,519	97,480
Membership fees	5,444	5,651
Miscellaneous	6,591	3,760
Office expenses	33,017	31,877
Postage	2,985	2,849
Professional fees	56,266	57,647
Property taxes	20,000	19,427
Provision for loan losses	328,562	172,458
Provision for losses on foreclosed assets	220,000	-
Rent	46,773	53,798
Repairs and maintenance	18,421	15,665
SIEF annual general meeting	11,485	11,340
Salaries and benefits	672,726	761,773
Service contracts	127,684	71,336
Telephone	12,960	18,377
Training and education	12,826	23,320
Travel	33,851	61,714
Utilities	17,025	16,585
	1,964,755	1,736,576
Deficiency of revenue over expenses before other items	(349,394)	(246,898)

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Saskatchewan Indian Equity Foundation Inc. Statement of Operations and Changes in Net Assets

For the year ended March 31, 2015

	2015	2014
Deficiency of revenue over expenses before other items (Continued from previous page)	(349,394)	(246,898)
Other items		
Earnings from investment in subsidiary	1,711	8,195
Unrealized gain on investment	122,222	-
Deficiency of revenue over expenses	(225,461)	(238,703)
Net assets, beginning of year	3,043,021	3,281,724
Net assets, end of year	2,817,560	3,043,021

The accompanying notes are an integral part of these financial statements

Saskatchewan Indian Equity Foundation Inc.
Statement of Cash Flows
For the year ended March 31, 2015

	2015	2014
Cash provided by (used for) the following activities		
Operating		
Deficiency of revenue over expenses	(225,461)	(238,703)
Amortization	58,192	56,800
Provision for loan losses	328,562	172,458
Provision for losses on foreclosed assets	220,000	-
Earnings from investment in subsidiary	(1,711)	(8,195)
Unrealized gain on investment	(122,222)	-
	257,360	(17,640)
Changes in working capital accounts		
Accounts receivable	1,966,716	(349,925)
Prepaid expenses	1,251	(1,542)
Accounts payable and accrued liabilities	47,763	(24,677)
	2,273,090	(393,784)
Financing		
Repayment of advances from related parties	-	(512,499)
Repayment of mortgage payable	(37,251)	(29,073)
Net change in capital contributions (Note 12)	393,468	212,791
	356,217	(328,781)
Investing		
Change in foreclosed assets held for sale	22,888	114,067
Advances to related parties	-	(40,789)
Repayment of advances to related parties	43,226	-
Purchase of capital assets	(14,189)	(17,927)
Net change in loans receivable	784,448	547,008
	836,373	602,359
Increase (decrease) in cash and cash equivalents	3,465,680	(120,206)
Cash and cash equivalents, beginning of year	679,390	799,596
Cash and cash equivalents, end of year	4,145,070	679,390

The accompanying notes are an integral part of these financial statements

Saskatchewan Indian Equity Foundation Inc.

Notes to the Financial Statements

For the year ended March 31, 2015

1. Organization

Saskatchewan Indian Equity Foundation Inc. ("SIEF" or the "Foundation") is incorporated under the Saskatchewan Non-Profit Corporations Act. SIEF is restricted to providing financial services to Status Indian entrepreneurs. By its Articles of Incorporation, membership in SIEF is restricted to First Nations of Saskatchewan.

SIEF was one of the first Aboriginal institutions in Canada to offer developmental lending to First Nations businesses in Saskatchewan. SIEF is owned by the 74 First Nations of Saskatchewan and affiliated with the Federation of Saskatchewan Indians, Inc. ("FSI"). SIEF offers commercial and agricultural lending and business consulting services through their location in Saskatoon on the Asimakaniseekan Askiy Reserve. SIEF provides business lending solutions and business consulting services, and administers lending programs and services. SIEF is committed to developing a strong economic base among First Nations in Saskatchewan. The goal of SIEF is to continue to assist in the creation of jobs and to foster economic growth for First Nations People.

SIEF is a tax exempt organization under Section 149(1)(l) of the Income Tax Act.

Programs

The Business Services Office was established to provide business planning and consulting services to Status Indian entrepreneurs. Aboriginal Affairs and Northern Development Canada (AANDC) contributions cover 75% of project costs. This program was completed as of March 31, 2014.

The Agricultural Extension Program was established to provide support to First Nations involved in the agricultural sector. SIEF has expensed funds under this program in accordance with agreements with Indian Agricultural Program of Ontario (IAPO). This program was completed as of March 31, 2014.

The SIEF Contribution Program began public offerings as of April 1, 2013. Using an equity fund, this program will provide non-repayable contributions to eligible Aboriginal businesses and entrepreneurs that have viable business activities in the province of Saskatchewan. AANDC has agreed to supply the funding for this program. See Note 12 for additional information.

Schedules 1, 2, 3 and 4 of the financial statements provide details on the revenues and expenses associated with programs. These amounts are included in the statement of operations and changes in net assets.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with original maturities of three months or less.

Capital assets

Capital assets are recorded at cost. Amortization is provided using the declining balance or straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Buildings	straight-line	20 years
Office equipment	declining balance	20-100 %
Leasehold improvements	straight-line	5 years

Long-term investments

Long-term investments are share investments recorded at fair value. They have been classified as long-term assets in concurrence with the nature of the investment.

2. **Significant accounting policies** *(Continued from previous page)*

Investment in subsidiary entity

The Foundation's investment in its wholly-owned subsidiary, SIEF Investments Inc., is accounted for using the equity method and is included in long-term investments. Accordingly, the investment is recorded at acquisition cost and is increased for the proportionate share of earnings and decreased by losses and distributions received.

All transactions with the subsidiary are disclosed as related party transactions.

SIEF Financial Inc. is a wholly owned subsidiary of SIEF Investments Inc. SIEF Financial Inc. is accounted for using the equity method of accounting by SIEF Investments Inc.

Loans receivable

Loans are initially recorded at fair value and subsequently measured at their amortized cost less impairment. Amortized cost is calculated as the loans' principal amount plus unamortized loan administration fees, less any allowance for anticipated losses, plus accrued interest. Interest revenue is recorded on the accrual basis using the straight-line method. Loan administration fees are amortized over the term of the loan using the straight-line method.

Interest income on loans is recorded on the accrual basis until such time as the loan is classified as impaired.

Loans are classified as impaired, and a provision for loss is established, when there is no longer reasonable assurance of the timely collection of the full amount of principal or interest. Whenever a payment is 30 days past due, loans are classified as impaired unless they are fully secured or collection efforts are reasonably expected to result in repayment of the debt.

In such cases, a specific provision is established to write down the loan to the estimated future net cash flows from the loan discounted at the rate inherent in the loan when impairment was recognized. In cases where it is impractical to estimate the future cash flows, the carrying amount of the loan is reduced to its estimated realizable value. At this time, accrual of interest is discontinued and any previously accrued but unpaid interest on the loan is charged to provision for loan losses.

Allowance for loan impairment

Allowance for loan impairment represents specific provisions established as a result of reviews of individual loans. A specific allowance for loan losses is determined on a regular basis by review of those loans where payments are overdue. The allowance is based on a review of the payment history and security held.

Restructured loans are not considered impaired where reasonable assurance exists that the borrower will meet the terms of the modified debt agreement.

Foreclosed assets held for sale

Foreclosed assets held for sale are recorded at the lower of carrying amount, and fair value less anticipated selling costs. Any difference between the carrying amount of the loan prior to foreclosure and the amount at which the foreclosed assets are initially measured is recognized by a charge or credit to the allowance for impairment of foreclosed assets.

Revenues and expenses of the property during the possession period are recorded as adjustments to the carrying value of the foreclosed property, but not in excess of net realizable value.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Grants are recognized as revenue in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured. All other revenue is recognized when performance is achieved and reasonable assurance regarding measurement and collectability of the consideration exists.

2. **Significant accounting policies** (Continued from previous page)

Employee future benefits

The Foundation's employee future benefit program consists of a defined contribution pension plan.

Financial instruments

The Foundation recognizes its financial instruments when the Foundation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with CPA Canada Section 3840 *Related Party Transactions* (refer to Note 13).

At initial recognition, the Foundation may irrevocably elect to subsequently measure any financial instrument at fair value. The equity investment in First Nations Bank of Canada, shown as a long-term investment on the statement of financial position, has been designated to be subsequently measured at its fair value. Fair value is determined by a third party evaluator that values these shares bi-annually as there is not a quoted market price regularly available.

The Foundation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by third party evaluations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment unless otherwise elected. With the exception of financial liabilities indexed to a measure of the Foundation's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

Financial asset impairment:

The Foundation assesses impairment of all of its financial assets measured at cost or amortized cost. The Foundation groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; no asset is individually significant. When there is an indication of impairment, the Foundation determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Foundation reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses.

The Foundation reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenue over expenses in the year the reversal occurs.

Saskatchewan Indian Equity Foundation Inc.
Notes to the Financial Statements
For the year ended March 31, 2015

2. Significant accounting policies (Continued from previous page)

Use of estimates

The preparation of financial statements, in conformity with Canadian accounting standards for not-for-profit organizations, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Management estimates the provision for anticipated loan losses after evaluation as to the loans collectibility. Amortization is based on the estimated useful lives of capital assets. Fair value less selling costs of foreclosed assets held for sale are based on comparison to market prices. Actual results could differ from those estimations.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenue over expenses in the periods in which they become known.

3. Accounts receivable

	2015	2014
Accounts receivable	17,607	15,276
Grants receivable	90,480	570,553
Capital contribution receivable (Note 12)	-	1,488,974
	108,087	2,074,803

4. Foreclosed assets held for sale

	2015	2014
Loans transferred to foreclosed assets held for sale	346,027	148,915
Specific allowance on foreclosed assets held for sale	(220,000)	-
	126,027	148,915

5. Capital assets

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Buildings	909,251	373,240	536,011	581,474
Office equipment	361,739	334,408	27,331	25,871
Leasehold improvements	93,225	93,225	-	-
	1,364,215	800,873	563,342	607,345

Saskatchewan Indian Equity Foundation Inc.
Notes to the Financial Statements
For the year ended March 31, 2015

6. Long-term investments

	2015	2014
Measured at cost:		
Investment in SIEF Investments Inc.	1,441,765	1,440,054
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Measured at fair value:		
First Nations Bank of Canada	6,722,226	6,600,004
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The Foundation owns 19% of the outstanding shares in First Nations Bank of Canada which was determined not to result in significant influence.

SIEF Investments Inc. is a wholly owned subsidiary of the Foundation as outlined in Note 2. SIEF Investments Inc. is an investing company operating in the province of Saskatchewan.

During the year, the Foundation recorded equity earnings in relation to SIEF Investments Inc. of \$1,711 (2014 - \$8,195).

At March 31, 2015 SIEF Investments Inc. had total assets of \$1,757,124 (2014 - \$1,756,483), total liabilities of \$7,794 (2014 - \$5,616) and equity of \$1,749,330 (2014 - \$1,750,867).

For the year ending March 31, 2015 SIEF Investments Inc. had total revenue of \$35,790 (2014 - \$54,968) and total expenses of \$29,089 (2014 - \$29,620). After an unrealized loss of \$4,990 (2014 - \$17,153 loss), and current taxes of \$nil (2014 - \$nil) there was total net income of \$1,711 (2014 - \$8,195).

7. Advances to related parties

Advances to related parties consists of amounts loaned to SIEF Investments Inc. and to SIEF Financial Inc. These amounts are non-interest-bearing and have no specified terms of repayment.

	2015	2014
Advances to SIEF Investments Inc.	88	628
Advances to SIEF Financial Inc.	1,135	43,821
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	1,223	44,449
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Saskatchewan Indian Equity Foundation Inc.
Notes to the Financial Statements
For the year ended March 31, 2015

8. Loans receivable

	2015	2014
Capital and working capital	4,698,503	6,233,890
Youth	141,655	200,182
Accrued interest	156,420	153,428
	4,996,578	6,587,500
Allowances for loan impairment:		
Specific allowance for losses	(298,780)	(556,692)
	4,697,798	6,030,808
Allowance for loan impairment results from the following:		
Allowance for loan losses, beginning of the year	556,692	537,156
Provision for loan losses	328,562	172,458
Write-offs	(586,474)	(152,922)
	298,780	556,692

Total principal balance of impaired loans at March 31, 2015 is \$275,613 (2014 - \$270,014).

At year-end, the Foundation has approved loans in the amount of \$55,962 (2014 - \$291,389) that have not yet been disbursed.

These loans receivable carry an average interest rate of 11.96% (2014 - 10.74%).

9. Bank indebtedness

The Foundation has an operating line of credit with First Nations Bank of Canada with an approved borrowing limit up to \$2,000,000 (2014 - \$2,000,000) and bearing interest at prime plus 1.5%. The line of credit is secured by a general security agreement representing a first charge on all assets of the Foundation.

10. Mortgage payable

	2015	2014
Due to First Nations Bank of Canada, bears interest at the rate of 5% and is repayable by monthly principal and interest payments of \$3,950, subject to renewal in November 2016	268,893	306,144
Less: Current portion	34,931	30,773
	233,962	275,371

Saskatchewan Indian Equity Foundation Inc.
Notes to the Financial Statements
For the year ended March 31, 2015

10. Mortgage payable *(Continued from previous page)*

Principal repayments on mortgage payable in each of the next five years are estimated as follows:

2016	34,931
2017	36,693
2018	38,544
2019	40,488
2020	42,531
	193,187

The Foundation has pledged their building as collateral against mortgage payable amounts, with a carrying amount of \$536,011 (2014 – \$581,474).

Mortgage payable is subject to certain financial covenants with respect to the debt service coverage ratio. As at March 31, 2015, the Foundation is in compliance with all such covenants. It is management's opinion that the Foundation is likely to remain in compliance with all long-term debt covenants throughout the next twelve months subsequent to March 31, 2015.

11. Net assets

The net assets balance consist of the following:

	2015	2014
Unrestricted	(945,982)	(642,302)
Investment in capital assets	563,342	607,345
Accumulated unrealized gain	3,200,200	3,077,978
	2,817,560	3,043,021

The accumulated unrealized gain is in relation to adjustments of long-term investments to fair value. In the current year this resulted in an unrealized gain of \$122,222. The remainder of the balance was recorded in the March 31, 2011 fiscal year.

12. Contributed equity

	2015	2014
Balance, beginning of year	14,195,725	13,982,934
Capital contributions	1,927,933	1,488,974
Funding granted by SIEF Contribution Program	(1,534,465)	(1,276,183)
	14,589,193	14,195,725

In the year, the Foundation received \$1,927,933 (2014 - \$1,488,974) in funding from AANDC. This amount is to be used for providing non-repayable contributions to Aboriginal businesses and entrepreneurs through the SIEF Contribution Program.

Saskatchewan Indian Equity Foundation Inc.
Notes to the Financial Statements
For the year ended March 31, 2015

13. Related party transactions

During the year, the Foundation earned management fees from SIEF Investments Inc. in the amount of \$15,000 (2014 - \$15,000). See Note 6 for additional information.

Included in revenue for the current year is \$7,200 (2014 - \$nil) for rent and \$12,000 (2014 - \$nil) in administration fees, included in other revenue, received from SIEF Financial Inc., a wholly owned subsidiary of SIEF Investments Inc.

The Foundation also incurred \$nil revenue or expenses (2014 - \$1,000 in expenses) from the SIEF/SMEDCO joint venture. This Joint Venture ceased operations in the prior fiscal year.

These transactions were conducted in the normal course of operations and recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

14. Commitment

The Foundation has entered into an equipment lease agreement with estimated minimum annual payments as follows:

2016	5,867
2017	5,867
2018	5,867
2019	5,867
2020	5,867
	<hr/>
	29,335

15. Guarantee

The Foundation guaranteed an operating loan through First Nations Bank of Canada to SIEF Financial Inc. This operating loan charges interest at the prime rate plus 1.50% per annum. There is no contractual term of this operating loan. The maximum potential amount of future payments is \$300,000.

As at March 31, 2015, no liability has been recorded associated with this guarantee.

16. Financial instruments

The Foundation, as part of its operations, carries a number of financial instruments. It is management's opinion that the Foundation is not exposed to significant interest, currency, liquidity or credit risks arising from these financial instruments except as otherwise disclosed.

Credit concentration

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist primarily of loans receivable. The loans receivable balance is 26% (2014 - 34%) of the Foundations's total asset balance. No loan has an outstanding balance greater than 10% of the total loan balance at the end of the year (2014 - 1 loan, 10.25%). The Foundation believes that there is minimal risk associated with the collection of these amounts, as the balance of loans receivable is widely distributed. Although the Foundation's loan portfolio is diversified, a substantial portion of its borrowers' ability to honour the terms of their loans is dependent on business and economic conditions in Saskatchewan. The Foundation manages its credit risk by performing regular credit assessments of its customers and provides allowances for potentially uncollectible loans receivable. The Foundation holds collateral such as mortgages, personal property registrations and personal guarantees as security over loans receivable.

16. Financial instruments *(Continued from previous page)*

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Foundation is exposed to interest rate risk with respect to loans receivable and mortgage payable. Interest rates on all loans are fixed at the time of approval, with the Board of Directors reserving the right to change the rate to a floating rate on specific loans when reassessing payment record, risk and security positions. The mortgage payable has limited exposure to interest rate risk due to the current fixed rate being similar to current market rates.

Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities.

The Foundation manages the liquidity risk by implementing policies that address limits on the sources, quality and amount of the assets to meet normal operational and regulatory requirements. The Foundation follows a policy for loan disbursement to mitigate risks of collections and create a timely inflow of cash.

The Board of Directors is ultimately responsible for the liquidity risk management policy. Management reports to the Board on a regular basis.

Saskatchewan Indian Equity Foundation Inc.
Schedule 1 - Schedule of Business Services Office

For the year ended March 31, 2015

	2015	2014
Revenue		
Aboriginal Affairs and Northern Development Canada	-	149,678
Consulting fees	-	5,390
Other revenue	-	2,400
Loan interest	-	257
	-	157,725
Expenses		
Administrative	-	12,200
Advertising	-	9,842
Conferences	-	1,946
Membership fees	-	250
Office expenses	-	408
Postage	-	684
Professional fees	-	2,010
Rent	-	13,553
Salaries and benefits	-	139,836
Service contracts	-	1,060
Telephone	-	2,173
Training and education	-	113
Travel	-	15,495
	-	199,570
Deficiency of revenue over expenses	-	(41,845)

Saskatchewan Indian Equity Foundation Inc.
Schedule 2 - Schedule of Agriculture Extension Program

For the year ended March 31, 2015

	2015	2014
Revenue		
Indian Agriculture Program of Ontario	-	115,000
Expenses		
Administrative	-	6,000
Advertising	-	116
Office expenses	-	973
Postage	-	65
Professional fees	-	2,500
Salaries and benefits	-	79,478
Service contracts	-	3,370
Telephone	-	4,151
Training and education	-	13,970
Travel	-	9,652
	-	120,275
Deficiency of revenue over expenses	-	(5,275)

Saskatchewan Indian Equity Foundation Inc.
Schedule 3- Schedule of Agriculture Youth Program
For the year ended March 31, 2015

	2015	2014
Revenue		
Indian Agriculture Program of Ontario	-	66,000
Expenses		
Project costs	-	66,000
Excess of revenue over expenses	-	-

Saskatchewan Indian Equity Foundation Inc.
Schedule 4 - Schedule of SIEF Contribution Program

For the year ended March 31, 2015

	2015	2014
Revenue		
Aboriginal Affairs and Northern Development Canada	302,082	253,338
Expenses		
Administrative	35,000	20,000
Advertising	16,175	2,147
Board of Directors	28,874	27,148
Conferences	550	2,527
Insurance	2,000	2,000
Membership fees	324	250
Office expenses	4,365	2,619
Postage	1,349	376
Professional fees	10,000	2,500
Rent	33,000	27,000
Salaries and benefits	153,595	146,062
Service contracts	2,400	4,690
Telephone	1,476	1,133
Training and education	2,202	918
Travel	10,772	13,968
	302,082	253,338
Excess of revenue over expenses	-	-